



Idaho Public Utilities Commission

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Case No. IPC-E-14-38, Order No. 33210

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IPUC approves Idaho Power agreement to continue participation in regional conservation effort

BOISE (Jan. 21, 2015) – The Idaho Public Utilities Commission approved an Idaho Power Company proposal to invest \$13.45 million in energy efficiency programs operated by the Northwest Energy Efficiency Alliance (NEEA), but agreed with commission staff findings that the utility is not doing enough to make customers aware of energy efficiency programs.

The \$13.45 million investment by Idaho Power covers five years, from 2015-19, and is down from the \$16.5 million the utility invested in NEEA during 2010-14.

NEEA is a non-profit organization that seeks to maximize energy efficiency in four Northwest states through the adoption of energy efficient products, services and practices. NEEA is funded by the Energy Trust of Oregon, the Bonneville Power Administration and by electric utilities in Washington, Oregon, Idaho and Montana. Idaho Power's investment represents about 9 percent of NEEA's total budget.

From 1997-2014, NEEA delivered 1,024 average megawatts of regional energy savings. Idaho Power's portion of NEEA-related savings during the same period was 28.2 aMW.

Idaho Power had notified NEEA that once the 2010-14 funding cycle ended, its participation would end. Idaho Power claimed the NEEA funding model duplicated services that it could perform on its own at a lower cost or more effectively.

Since then, however, NEEA and Idaho Power reached an agreement that allows Idaho Power to opt out of some NEEA programs that Idaho Power said were duplicative or did not directly benefit customers, while still participating in others.

The 2015-19 plan agreed upon by Idaho Power and NEEA is customized to better meet its customers' needs, Idaho Power said. The plan includes funding for continued research at the University of Idaho Integrated Design Lab and market transformation

efforts aimed at acquiring energy efficient lighting, appliances and building materials in the residential, commercial and industrial sectors.

Of the four optional NEEA programs, Idaho Power chose to participate in only one, a program that targets commercial lighting contractors, training resources and utility programs to accelerate market adoption of advanced lighting practices.

The company chose to opt out of NEEA's Marketing and Stakeholder Support program which, commission staff said, "leaves Idaho Power responsible for creating all marketing, such as website development, press releases, consumer awareness campaigns" and other promotions. The commission said it expects Idaho Power to bolster its marketing and customer awareness by using savings from its decreased investment in NEEA.

The agreement does not change customer rates because Idaho Power's investment in NEEA energy efficiency programs is funded by a portion of the Energy Efficiency Rider on customer bills, currently set at 4% of a customer's monthly billed amount. However, before investment can be included in the rider, the commission will conduct a prudency review of the programs after the 2015-19 funding cycle to ensure "customers received a sufficient benefit," from Idaho Power's participation. Further, Idaho Power and NEEA's agreement holds NEEA accountable for delivering on its projected energy savings. Under the agreement, NEEA will hire an independent CPA firm to complete an annual financial audit and internal control review.

NEEA's business plan for the entire region is to deliver 145 aMW of energy savings in the four states from 2015-19, with a planned expenditure of between \$145 million and \$169 million. The total resource cost for NEEA programs is equal to or less than 3.5 cents per kilowatt-hour, considerably less than energy from most other sources.

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